

FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329 (916) 322-5660 • Fax (916) 322-0886

February 18, 2010

John Benoit County Administrative Center

REDACTED

Re: FPPC Case No. 07/449; John Benoit

Dear Mr. Benoit:

The Fair Political Practices Commission ("Commission") enforces the provisions of the Political Reform Act (the "Act"). As you may be aware, the Commission received a complaint against you alleging that you violated certain provisions of the Act. Specifically, the complaint alleges that you accepted contributions in excess of the applicable limits, failed to itemize subvendor payments on campaign statements, improperly transferred funds between committees, and made expenditures of campaign funds for personal use. The Commission has decided to close this case without further action.

Contributions in Excess of the Applicable Limits

Your committee, Benoit for Assembly 2006, reported a nonmonetary contribution of the use of an airplane hanger from the Bermuda Dunes Airport, in the amount of \$3,300.00² on your committee's Form 460, Schedule C for 2005 and 2006. Documents provided by your committee treasurer indicate that you paid to the airport the portion of the rental contract price which exceeded the contribution limit out of your personal funds.

<u>Itemization of Subvendor Payments</u>

Section 84211 subdivision (k) requires that, for each person to whom an expenditure of \$100 or more has been made during the period covered by the campaign statement, the name, address, amount of each expenditure, and a brief description for each expenditure must be disclosed by the committee.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² The limit for contributions by a person to a candidate for the California State Legislature for elections occurring in the 2005 and 2006 calendar years was \$3,300.

For reporting purposes, a committee's credit card is treated in the same manner as the committee's checking account; all vendors who receive a single payment of \$100 or more must be itemized on the committee's campaign statement. Your committee reported payments made to credit card companies, and also included an itemized subvendor accounting, which included the required identifying information and amount paid for each of the subvendors. This is consistent with the reporting obligations specified under section 84211 subdivision (k).

<u>Transfer of Funds Between Committees</u>

Under the Act, a candidate may transfer campaign funds from one controlled committee to a controlled committee for elective state office of the same candidate. Contributions transferred shall be attributed to specific contributors using a "last in, first out" or "first in, first out" accounting method, and these attributed contributions when aggregated with all other contributions from the same contributor may not exceed the limits set forth in Section 85301 or 85302. A review of the campaign filings has not revealed evidence of a violation of this reporting obligation.

Expenditures of Campaign Funds for Personal Use

The general rule for expenditures of campaign funds is that the expenditure must be reasonably related to a political, legislative or governmental purpose. Sections 89510 through 89522 enumerate various, specific personal use restrictions that bar candidates, elected officials, and other committee personnel from using campaign funds to confer financial benefit on themselves or others. A review of the campaign expenditures and invoices has not revealed evidence of an impermissible use of campaign funds.

Even though we are closing our file on this matter, please be advised of your filing obligations under the Act. The Commission publishes forms and manuals to facilitate compliance with the provisions of the Act. If you need forms or manuals, or guidance regarding your obligations, please call the Commission's Technical Assistance Division at 1-866-275-3772. Please also visit our website at www.fppc.ca.gov. If you have any questions regarding this matter, please feel free to contact me at 916-322-5660.

Sincerely,

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Zachary W. Norton Commission Counsel Enforcement Division